

ITEL

RECORDATION NO. **13879** Filed 1425

DEC 27 1982 -2 35 PM

INTERSTATE COMMERCE COMMISSION

Rail Division

Two Embarcadero Center
San Francisco, California 94111
(415) 955-9090
Telex 34234

December 22, 1982

2-3611079

No. **DEC 27 1982**
Date.....
Fee \$.. **50.00**
ICC Washington, D. C.

FEE OPERATION BR.

DEC 27 2 29 PM '82

RECEIVED

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. 11303(a) and the Interstate Commerce Commission's rules and regulations thereunder, I enclose herewith on behalf of Itel Corporation, for filing and recordation, four counterparts of the following document:

Lease Agreement made and entered as of March 31, 1981
between Evans Railcar Leasing Company as lessor and Itel
Corporation, Rail Division as lessee.

The names and addresses of the parties to the aforementioned Lease are:

1. Evans Railcar Leasing Company
2550 Golf Road
Rolling Meadows, Illinois 60008
2. Itel Corporation, Rail Division
Two Embarcadero Center, 24th Floor
San Francisco, California 94111

The equipment covered by this Lease is four hundred (400) 50'6" 70-ton XM or XP boxcars, bearing reporting marks NLG 5701-5800, GBW 7450-7649, and GBW 8200-8299.

December 22, 1982

Page 2

Also enclosed is a check in the amount of ^{\$50.00}~~\$10.00~~ for the required recording fee.

Please stamp all counterparts of the enclosed Lease with your official recording stamp. You will wish to retain one counterpart of the document for your files; please return the remaining three counterparts to me by mail. Thank you.

Sincerely,

Paul L. Loveday
Paul L. Loveday
Senior Counsel

Enclosure

PLL:jak

Interstate Commerce Commission
Washington, D.C. 20423

12/28/82

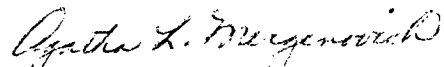
OFFICE OF THE SECRETARY

Paul L. Loveday
Senior Counsel
Itel Rail Div.
Two Embarcadero Center
San Francisco, Calif. 94111

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/27/82 at 2:35pm , and assigned re-recordation number(s). 13879, 9073-J, 10362-II, 10362-I, 10837-A

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

L-0209
7/12/82

LEASE AGREEMENT

13879
DEC 27 1982 -2 35 PM
INTERSTATE COMMERCE COMMISSION

Agreement made and entered as of midnight March 31, 1981 between **EVANS RAILCAR LEASING COMPANY**, a Illinois corporation formerly known as United States Railway Leasing Company (hereinafter called "Evans") and **ITEL CORPORATION, RAIL DIVISION**, a Delaware corporation with its principal place of business at Two Embarcadero Center, San Francisco, California, 94111 in its capacity as Debtor in Possession (hereinafter called "Lessee").

Recitals

Lessee desires to lease from Evans as Lessor certain railroad cars previously leased by ITEL Corporation as debtor from Evans, hereinafter specifically designated, all upon the rentals, terms and conditions set forth in this Lease Agreement and Schedule I made a part hereof (together hereinafter referred to as the "Lease").

Agreement

It is Agreed:

1. Lease of Cars

Evans agrees to lease to Lessee and Lessee agrees to and does hereby lease from Evans, railroad cars of the number of units, model, type, construction and such other description (hereinafter referred to as the "Cars") as set forth in Schedule I attached hereto and by this reference made a part hereof.

2. Delivery of Cars

Lessee acknowledges that deliveries of all Cars have previously been made to it and all Cars have been accepted by it and are subject to the Lease. From and after midnight March 31, 1981, Lessee shall be liable for and shall pay or reimburse Evans for the payment of all costs, charges and expenses of any kind whatsoever on account of or relating to switching, demurrage, detention, storage, transportation or movement of a Car, including specifically, but not exclusively, freight and switching charges for movement at any time and from time to time to and from repair shops, storage or terminal facilities.

3. Condition of Cars — Acceptance

All Cars are acknowledged by Lessee to be in satisfactory condition for movement in the normal interchange of rail traffic and comply with the description and specifications contained in the Schedule and meet all requirements of this Lease. Lessee shall be solely responsible for determining that Cars are in proper condition for loading and shipment. At Evans' request, Lessee shall deliver to Evans an executed Certificate of Acceptance in a mutually agreeable form with respect to all Cars.

4. Use and Possession

Throughout the continuance of this Lease so long as Lessee is not in default under this Lease, Lessee shall be entitled to possession of each Car from the date the Lease becomes effective as to such Car and shall use such Car on its own property or lines or in the usual interchange of traffic, provided, however, that Lessee agrees that the Cars shall at all times be used (i) in conformity with all Interchange Rules, (ii) in compliance with the terms and provisions of this Lease, (iii) in a careful and prudent manner, solely in the use, service and manner for which they were designed, (iv) only within the continental limits of the United States of America or in temporary or incidental use in Canada, and (v) in such service as will not constitute a train hauling predominantly a single commodity, such as coal or grain, between the same points on a regular basis, commonly referred to as a "unit train".

5. Term

The Lease term with respect to all Cars shall commence at midnight, March 31, 1981, and shall terminate on the respective dates shown in Schedule I of this Lease. If the Reorganization Proceedings are converted to a proceeding under Chapter 7 of the Bankruptcy Code, Evans shall have the right at its election to terminate the Lease and Lessee shall then be obligated to return the Cars as provided in Paragraph 15 hereof. If any order entered or plan adopted in the Reorganization Proceedings provides for the sale of all or substantially all of the assets of the Rail Division of Lessee (except to a company or a wholly owned subsidiary which has acquired all or substantially all of the assets of Lessee's Rail Division or to any Reorganized Company created by the Reorganization Proceedings), Evans shall have the right at its election to terminate the Lease and Lessee shall then be obligated to return the Cars as provided in Paragraph 15 hereof.

6. Rental

Lessee shall pay Evans as rental for each and every Car the sum of \$407.00 per Car per month prorated for any partial month from April 1, 1981 through and including June 30, 1982. Lessee shall pay Evans as rental for each and every Car the sum of \$375.00 per Car per month prorated for any partial month from July 1, 1982 through the expiration of the Lease.

7. Payment

Lessee shall make payment of all sums due hereunder to Evans in immediately available funds at the address provided in Paragraph 19 hereof or such other place as Evans may direct. Rental payments shall be made calendar quarterly in advance on or before the first day of each quarter for which such rental is due. Evans acknowledges that it has received payment in full for the second calendar quarter of 1981.

8. Title

Lessee shall not by reason of this Lease or any action taken hereunder acquire or have any right or title in the Cars except the rights herein expressly granted to it as Lessee.

9. Repairs

Itel shall be responsible for and pay all costs and expenses of Repair Work.

10. Taxes

Lessee shall be liable for and pay or reimburse Evans for payment of all Federal, State or other governmental charges or taxes assessed or levied against the Cars, including but not limited to (i) all Federal, State or local sales or use taxes imposed upon or in connection with the Cars, this Lease, or the manufacture, acquisition, or use of the Cars for or under this Lease; (ii) all taxes, duties or imposts assessed or levied on the Cars or this Lease by a foreign country and/or any governmental subdivision thereof; and (iii) all taxes or governmental charges assessed or levied upon its interest as Lessee of Cars. If any levy or assessment is made against Evans or which Evans shall pay on account of any of the foregoing matters or on account of its ownership of the Cars, exclusive, however, of any taxes on the rentals hereunder or the net income of Evans therefrom (except any such tax on rentals which is in substitution for, or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided), Lessee will promptly pay or reimburse Evans for same; but the Lessee shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof unless thereby, in the judgment of Evans, the rights or interest of Evans in and to the Cars will be materially endangered. In the event any tax reports are required to be made on the basis of individual Cars, the Lessee will either make such reports in such manner as to show the ownership of such Cars by Evans or will notify Evans of such requirements and will make such report in such manner as shall be satisfactory to Evans.

11. Liens

Lessee shall keep the Cars free from any and all encumbrances or liens in favor of anyone claiming by, through or under Lessee which may be a cloud upon or otherwise affect Evans' title, including, but not limited to liens or encumbrances which arise out of any suit involving Lessee, or any act or omission of Lessee or Lessee's failure to comply with the provisions of this Lease, and Lessee shall promptly discharge any such lien, encumbrance or legal process.

12. Indemnities — Patent Covenants

Lessee agrees to indemnify Evans and hold it harmless from any loss, expense or liability which Evans may suffer or incur from any charge, claim, proceeding, suit or other event which in any manner or from any cause arises in connection with the use, possession or operation of a Car while subject to this Lease, excepting only any such loss, expense or liability which arises solely from Evans' negligence. Evans agrees to indemnify Lessee and save it harmless against any charge, loss, claim, suit, expense or liability arising out of or on account of the use or incorporation by Evans upon delivery of a Car of any invention or the infringement of any patents, except if such invention was used or incorporated by reason of Lessee's specifications. The term "Evans" shall mean and include any subsidiary, parent or affiliated corporation for all purposes of this Paragraph. Lessee's indemnity shall not eliminate the rights given Lessee under any manufacturer's warranty assigned to it pursuant to Paragraph 20. The indemnities and assumptions of liability herein contained shall survive the termination of this Lease. Each party shall, upon learning of same, give the other prompt notice of any claim or liability hereby indemnified against.

13. Lettering — Inventory

All Cars shall be marked to indicate the rights of Evans, or any assignee, mortgagee, trustee, pledgee or security holder of Evans or a lessor to Evans and may bear the following inscription: "Title to this Car subject to documents recorded under Section 20c of the Interstate Commerce Act". Except for renewal and maintenance of the aforesaid lettering or lettering indicating that the Car is leased to the Lessee or to a sublessee in accordance with demurrage tariffs, no lettering or marking shall be placed upon any of the Cars by Lessee and Lessee will not remove or change the reporting marks and numbers indicated on the applicable schedule except upon the written direction or consent of Evans. Evans may at its own cost and expense inspect the Cars from time to time wherever they may be and Lessee shall, upon request of Evans, but no more than once every year, furnish to Evans its certified inventory of all Cars then covered by this Lease.

14. Loss, Theft or Destruction of Cars

In the event any Car is lost, stolen, destroyed or damaged beyond economic repair, Lessee shall, within five days of its knowledge thereof, by written notice, fully advise Evans of such occurrence. Except where Evans shall have received payment for such Casualty Car from a handling railroad or other party under and pursuant to Interchange Rules, Lessee shall, within 45 days after demand by Evans, promptly make payment to Evans in the same amount as is prescribed in the Interchange Rules for the loss of such Car. This Lease shall terminate with respect to a Casualty Car on the date Evans shall receive notice of a casualty occurrence with respect thereto, and thereafter Lessee shall have no further liability to Evans under this Lease with respect thereto excepting accrued rent and liabilities arising or existing under Paragraphs 10, 11 and 12 hereof.

15. Return of Cars

Upon the expiration or termination of this Lease with respect to any Car (other than pursuant to Paragraph 16 hereof), Lessee shall at its sole cost and expense forthwith surrender possession of such Car to Evans by delivering same to Evans at such repair shop, storage or terminal facility as Evans may designate by notice to Lessee. Provided, however, that if, with respect to Cars under sublease to the Green Bay and Western Railroad Company ("GBW"), Evans requests delivery at any place other than Blue Island, Illinois, Washington, Indiana, Junction City, Kansas or Council Bluffs, Iowa ("GBW Return Points"), or with respect to Cars under sublease to the North Louisiana and Gulf Railroad ("NLG"), Evans requests delivery at any place other than Atlanta, Georgia, Ozark, Alabama, or Ashland City, Tennessee ("NLG Return Points"), Evans shall pay any additional costs incurred by Itel over the costs it would have incurred for delivery of a Car to the nearest of the above-specified respective delivery places for such Cars. Provided further that Itel may request Evans to specify an NLG Return Point for any of the GBW Cars, or a GBW Return Point for any of the NLG Cars and if Evans shall refuse such request, it shall pay any additional costs incurred by Itel over the cost it would have incurred for delivery of a Car to the nearest of the delivery places Itel requested. Evans agrees that whenever reasonably feasible in view of the production schedules, shop capabilities and storage capacity applicable to a particular delivery place, it will seek to specify delivery places as close as possible to the location of Cars to be returned. Each Car so surrendered shall be in the same or as good condition, order and repair as when delivered to Lessee, wear and tear from ordinary use and the passage of time excepted, shall be in need

of no repairs for which Lessee is liable under Paragraph 9, and shall be free from all accumulations or deposits from commodities transported in or on the Cars while in the service of Lessee. If any of the Cars do not bear Evans' reporting marks and numbers, Lessee shall place such reporting marks and numbers on any or all of the Cars as Evans shall designate in writing to Lessee prior to the end of the lease term. Until the delivery of possession to Evans pursuant to this Paragraph 15, Lessee shall continue to be liable for and shall pay rental at the rate being paid immediately prior to termination or expiration, and Lessee shall in addition make all other payments and keep all obligations and undertakings required of Lessee under any and all provisions of this Lease as though such termination or expiration had not occurred. If Lessee is a railroad, Lessee agrees to provide storage, upon the request of Evans, for any or all of the Cars for a period of ninety (90) days from the date of expiration or termination of this Lease. Nothing in this Paragraph 15 shall give Lessee the right to retain possession of any Car after expiration or termination of this Lease with respect to such Car.

16. Default

If Lessee shall fail to make any payment required under this Lease within 20 days after same shall have become due or shall default or fail for a period of 20 days in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part under this Lease, then and in any of said events Evans may at its election:

A. Terminate this Lease by written notice to such effect, and retake the Cars and thereafter recover as liquidated damages for loss of a bargain and not as a penalty, any and all damages sustained by reason of Lessee's default in addition to all rental unpaid as of said date; or

B. Without terminating the Lease repossess the Cars, and may relet the same or any part thereof to others upon such rental and other terms as it may see fit. The proceeds of any such reletting shall first be applied to the expenses (including reasonable attorneys' fees) of retaking and reletting of the Cars and delivery to the new lessee and then to the payment of rent due under this Lease. Lessee shall pay any deficiency remaining due after so applying the proceeds as the same shall accrue. Evans shall not be obligated to accept any lessee offered by Lessee, or to do any act or exercise any diligence whatsoever in the procuring of another lessee to mitigate the damages of Lessee or otherwise. The election by Evans to relet the Cars and the acceptance of a new lessee shall not operate to release Lessee from liability for any existing or future default in any other covenant or promise herein contained. The obligation to pay such deficiency or any sum or sums due and unpaid or any damages suffered by reason of Lessee's default hereunder shall survive the termination of the Lease and the retaking of the Cars.

The remedies provided in this Paragraph 16 in favor of Evans shall not be deemed exclusive but shall, where not by rule of law inconsistent with each other, be cumulative and may be availed of singly, in combination, or all together and in any order, and shall be in addition to all other remedies in Evans' favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law now or hereafter in effect which might limit or modify any of the remedies herein provided to the extent that such waiver is permitted by law.

17. Sublease and Assignment

The right to assign this Lease by either party and the Lessee's right to sublease shall exist only as follows:

A. Lessee shall have no right to assign this Lease or assign or sublease or loan any of the Cars without the prior written consent of Evans, provided, however, that Lessee shall have the right to sublease any of the Cars for single trips within the continental limits of the United States to its customers or suppliers where the sole purpose of such sublease is to obtain exemption from demurrage on the subleased Cars; provided, however, Lessee may assign this Lease to a company or wholly owned subsidiary which has acquired all or substantially all of the assets of Lessee's Rail Division. Effective upon the assignment of this Lease to such a wholly owned subsidiary and the assumption by such subsidiary of the obligations under this Lease, and provided that the Plan of Reorganization provides that Itel Corporation be released from its obligations under all leases which are assigned to such subsidiary, Itel Corporation is hereby released, effective on the date of the confirmation of the Plan of Reorganization, from all obligations hereunder. Any such sublease shall be upon terms which are in compliance with all applicable Interchange Rules, tariffs, regulations and laws and all terms and conditions of this Lease.

B. Evans hereby consents to the sublease by Itel of 300 Cars to GBW and 100 Cars to NLG all upon the terms and conditions contained in previous subleases between such parties, each covering some of the Cars, dated respectively March 8, 1979, July 21, 1977 and July 1, 1982, and upon the further understanding that, in the event of default hereunder, the rights of the sublessee under each sublease are subject and subordinate to the rights of Evans under this Lease.

C. All rights of Evans under this Lease may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part without notice to or consent of Lessee. This Lease and Lessee's rights hereunder are and shall be subject and subordinate to any lease, chattel mortgage, security agreement or equipment trust or other security instrument covering the Cars heretofore created by Evans provided only that so long as Lessee is not in default under the Lease, Lessee shall be entitled to the peaceful and quiet possession of the Cars. In the event that Lessee receives notice that Evans has assigned its rights under any prior lease of the Cars or under this Lease, Lessee shall, if requested in writing by Evans or such assignee, make separate payment of rentals and other sums due with respect to such Cars to such place and person as Evans or such assignee shall from time to time designate. The right of any assignee or any party on behalf of whom such assignee is acting shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever, whether arising out of any breach of any obligation of Evans under this Lease or by reason of any other indebtedness or liability at any time owing by Evans to Lessee.

The making of an assignment or sublease by Lessee or an assignment by Evans shall not serve to relieve such party of any liability or undertaking under this Lease nor to impose any liability or undertaking under this Lease upon any such assignee or sublessee except as otherwise provided herein or unless expressly assumed in writing by such sublessee or assignee.

18. Opinion of Counsel

Upon the request of Evans or its assignees, Lessee will from time to time deliver to Evans an opinion of counsel for Lessee, addressed to Evans or its assignee in form and substance satisfactory to counsel for Evans or its assignee, which opinion shall be to the effect that

A. Lessee is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation, and has corporate power and has taken all corporate action necessary to enter into this Lease and carry out its obligations hereunder;

B. This Lease has been duly executed on behalf of Lessee and constitutes the legal, valid and binding obligation of Lessee, enforceable in accordance with its terms so long as Lessee continues in the Reorganization Proceedings;

C. The Cars which are then subject to the Lease are held by Lessee under and subject to the provisions of this Lease prior to any lien, charge or encumbrance in favor of anyone claiming by, through or under Lessee;

D. By specific order of the court in the Reorganization Proceedings Lessee has been authorized to execute, deliver and perform this Lease and no other governmental, administrative or judicial authorization, permission, consent, or approval or recording is necessary on the part of Lessee in connection with this Lease or any action contemplated on its part hereunder;

E. The order of the court referred to in Paragraph 18.D. above has not been reversed, modified, amended, terminated or superseded in any material respect;

F. The obligation of Lessee during the continuance of the Reorganization Proceedings for rental and other payments under the Lease constitutes a claim of administration having priority over all unsecured obligations of Lessee incurred prior to the filing of the petition in the Reorganization Proceedings and is payable on a parity with other claims of administration incurred while the Reorganization Proceedings are pending under Chapter 11 of the Bankruptcy Code and upon occurrence of an event of default as defined in Paragraph 16 hereof on the part of Lessee any claim for damages under this Lease will constitute a claim of administration as aforesaid.

19. Notice

Any notice required or permitted to be given pursuant to the terms of this Lease shall be properly given when made in writing, deposited in the United States mail, registered or certified, postage prepaid, addressed to

Evans at: 2550 Golf Road
Rolling Meadows, Illinois 60008

or at such other addresses as Evans may from time to time designate by such notice in writing and to Lessee at the address first above written directed to the attention of Director of Finance or any such other address as Lessee may from time to time designate by notice in writing.

20. Warranty

Evans agrees to assign to Lessee such rights as it may have under warranties, if any, which it may have received from the manufacturer of any Cars or parts therefor and shall at Lessee's expense cooperate with Lessee and take such action as may be reasonably requested to enable Lessee to enforce such rights. Evans makes no warranty or representation of any kind, either express or implied, as to any matter whatsoever, including specifically but not exclusively, merchantability, fitness for a particular purpose extending beyond the description in the applicable Schedule, or the design, workmanship, condition or quality of the Cars or parts thereof which Cars have been accepted by Lessee hereunder; and Evans shall have no liability hereunder for damages of any kind, including specifically but not exclusively, special, indirect, incidental, or consequential damages on account of any matter which might otherwise constitute a breach of warranty or representation. Lessee covenants and represents that all of the matters set forth in Paragraphs 18.A., B., C., D., E., and F. are and shall be true and correct at all times that any Car is subject to this Lease.

21. Governing Law — Writing

The terms of this Lease and all rights and obligations under this Lease shall be governed by the laws of the State of Illinois. The terms of this Lease and the rights and obligations of the parties hereto may not be changed or terminated orally, but only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

22. Counterparts

This Lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which may be evidenced by any such signed counterpart.

23. Severability — Waiver

If any term or provision of this Lease or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. Failure of Evans to exercise any rights under this Lease shall not constitute a waiver of any such right upon the continuation or recurrence of the situation or contingency giving rise to such right.

24. Terminology

In construing any language contained in this Lease, no reference shall be made and no significance given to paragraph titles, such titles being used only for convenience of reference. Where the context so permits, the singular shall include the plural and vice versa.

25. Past Due Payments

Any nonpayment of rentals or other sums due under this Lease, whether during the period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of the Lessee to pay also an amount equal to twelve percent per annum (or if such rate may not lawfully be charged, then the highest rate which may lawfully be charged) of such overdue sum for the period of time from one week after the due date until such overdue sum is paid.

26. Definitions

For all purposes of this Lease the following terms shall have the following meaning:

A. "Interchange Rules" — all codes, rules, interpretations, laws or orders governing hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted as being applicable to the Cars, adopted and in effect from time to time by the Association of American Railroads and any other organization, association, agency, or governmental authority, including the Interstate Commerce Commission and the United States Department of Transportation, which may from time to time be responsible for or have authority to impose such codes, rules, interpretations, laws or orders.

B. "Reorganization Proceedings" — that proceeding entitled "In Re Itel Corporation, Debtor", in the United States Bankruptcy Court, Northern District of California, Case No. 381-0011. The term "Reorganized Company" shall mean any corporation including Itel Corporation or another entity which acquires substantially all of the property and business of Itel Corporation pursuant to the Reorganization Proceedings.

C. "Repair Work" — all repairs, maintenance, modifications, additions or replacements required to keep and maintain the Cars in good working order and repair in accordance with and on the effective date of the requirements of all Interchange Rules and preventive maintenance as determined by Evans to keep and maintain the Cars in good working order and repair.

D. "Casualty Cars" — Cars which are lost, stolen, destroyed or damaged beyond economic repair.

E. "Plan of Reorganization" — that certain Plan of Reorganization filed June 17, 1982 in the Reorganization Proceedings as it may be amended, and as is finally approved and adopted in the Reorganization Proceedings

27. Benefit

Except as otherwise provided in this Lease the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of the parties and (to the extent permitted in Paragraph 17 hereof) their successors and assigns. Without limiting the generality of the foregoing, the indemnities of the Lessee contained in Paragraph 12 hereof shall apply to and inure to the benefit of any assignee of Evans, and if such assignee is a trustee or secured party under an indenture under which evidence of indebtedness has been issued in connection with the financing of the Cars, then also to the benefit of any holder of such evidence of indebtedness.

28. Recording

Upon request by Evans, Lessee shall join in the execution of a memorandum or short form of this Lease for use in recordation under 49 U.S.C. Section 11303 or such other recordation as Evans deems appropriate. Said memorandum or short form of lease shall describe the parties, the Cars being leased and the term of this Lease including any options to extend and shall incorporate the Lease by reference.

IN WITNESS WHEREOF, Evans and Lessee have duly executed this railroad Car Lease Agreement as of the day and year first above written.

**ITEL CORPORATION,
RAIL DIVISION**

By: _____

Title: _____

Date: _____

Edward M. O'Keefe
President
7-12-82

EVANS RAILCAR LEASING COMPANY

By: _____

Title: _____

Date: _____

W. R. Heull
Vice President
7/14/82

SCHEDULE 1

Page 1 of Schedule 1 dated as of March 31, 1981 to Lease dated as of March 31, 1981 by and between Evans Railcar Leasing Company ("Evans") and Itel Corporation, Rail Division ("Lessee").

TYPE AND DESCRIPTION OF CAR:

Used 50' 6" 70-Ton XM or XP Boxcars

NUMBER OF CARS:

400

INTERIOR EQUIPMENT:

None

SPECIAL LININGS:

None

PERMITTED LADING USE:

Non-corrosive Commodities

REPORTING MARKS AND NUMBERS:

NLG 5701-5800
GBW 7450-7649
GBW 8200-8299

LEASE EXPIRATION DATES:

As to Cars numbered NLG 5701-5800 — August 15, 1994
As to Cars numbered GBW 7450-7649 — September 20, 1994
As to Cars numbered GBW 8200-8299 — July 31, 1994

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO)

ss:

On this 12th day of July, 1982, before me personally appeared Edward M. O'Dea, to me personally known, who being by me duly sworn, says that he is President of ITEL Corporation, Rail Division, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jody A. Blomgren
Notary Public

My Commission Expires:



STATE OF ILLINOIS)
)
COUNTY OF COOK)

ss:

On this 14th day of July, 1982, before me personally appeared PAUL R. LEAK, to me personally known, who being by me duly sworn, says that he is ^{vice} President of Evans Railcar Leasing Company, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Paul R. Leak
Notary Public

My Commission Expires:

Aug. 24, 1982